



MOSSADAMS

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August 19, 2021

Mr. Robert Cortinas, CFO
City of El Paso, Texas
300 N. Campbell
El Paso, Texas 79901

Dear Mr. Cortinas:

This engagement letter (the "Engagement Letter"), the attached Schedule of Agreed-Upon Procedures (the "Schedule"), and the attached Professional Services Agreement (collectively, the "Agreement") confirm our understanding of the terms and objectives of our engagement, and limitations of the services Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to City of El Paso, Texas ("you," "your," and "City"). This engagement is solely to assist you in evaluating the seizure, forfeiture, receipt and specific expenditure of all proceeds, and property subject to Chapter 59 of the Texas Code of Criminal Procedure, for the year ending August 31, 2021.

Scope of Services and Limitations

In this engagement, we will apply the agreed-upon procedures listed in the Schedule to the FY 2021 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency (the "Subject Matter") of the City of El Paso Police Department for the year ended August 31, 2021. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. Moreover, we have no obligation to perform any procedures beyond those listed in the Schedule. You may specify changes to the scope or nature of the agreed-upon procedures. If this occurs, we will either amend the Schedule to address the change in agreed-upon procedures, or our report will reflect the changes.

The City acknowledges that (i) it is responsible for agreeing to the procedures to be performed by Moss Adams, (ii) it has, in fact, agreed to the procedures set forth in the Schedule, and (iii) the agreed-upon procedures are appropriate to meet the intended purpose of the engagement.

We will not evaluate the agreed-upon procedures to determine if they are appropriate to meet the intended purpose of the engagement. Consequently, we make no representation regarding the appropriateness of the agreed-upon procedures either for the purpose of this engagement or for any other purpose.

When we complete our work, we will issue a report setting forth the agreed-upon procedures and our findings. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Our report will include a sentence indicating that the report is intended solely for the use of the City and should not be used by anyone other than the City.

This engagement is performed pursuant to Chapter 59 of the Texas Code of Criminal Procedure.

Our engagement to apply the agreed-upon procedures will be performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants. If, for any reason, we are unable to complete the agreed-upon procedures, we will either describe any restrictions on the performance of the agreed-upon procedures in our report, or we will not issue a report. Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the Subject Matter.

At the conclusion of our engagement, we will require a representation letter from the City. The representation letter will confirm, among other things, management's agreement that the procedures performed were appropriate to meet the intended purpose of the engagement.

Timing

Kory Hoggan is responsible for supervising the engagement and authorizing the signing of our report. We expect to begin performing the agreed-upon procedures during August 2021, and plan to issue our report no later than October 29, 2021.

Our scheduling is based on your completion of FY 2021 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency. Efficient use of our staff benefits both you and Moss Adams, allowing for timely completion of our work. We may experience delays in completing our services due to your staff's unavailability or delays in your completion of the FY 2021 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency. We will work with you to coordinate completion of our work, realizing that any such delays will also delay completion of our work and the delivery of our report. You understand our fees are subject to adjustment if we experience these delays in completing our services. Our services will be concluded upon delivery to you of our report on these agreed-upon procedures.

Fees

Our fees for this agreed-upon procedures engagement are outlined in the City of El Paso, Texas Audit Contract.

This Engagement Letter, the Schedule, and the attached Professional Services Agreement constitute the entire Agreement and understanding between Moss Adams and the City. The City agrees that, in entering into this Agreement, it is not and has not relied upon any oral or other representation, promise or statement made by anyone which is not set forth herein.



We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this Engagement Letter and return it to us with the Schedule and Professional Services Agreement.

Very truly yours,

Kory Hoggan, CPA
Partner, for
Moss Adams LLP

Enclosures

Accepted and Agreed

This Engagement Letter, the attached Schedule, and the attached Professional Services Agreement set forth the entire understanding of the City with respect to this engagement and the services to be provided by Moss Adams LLP:

By City of El Paso, Texas:

Signature:
Print Name: Robert Cortinas
Title: CFO
Date: 9/7/2021

CITY OF EL PASO

SCHEDULE OF AGREED-UPON PROCEDURES

We will apply the following agreed-upon procedures to the FY 2021 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency of the City of El Paso Police Department as of and for the year ending August 31, 2021.

1. We will obtain the "FY 2021 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency" (report) prepared by the El Paso Police Department for the reporting period September 1, 2020 through August 31, 2021.
 - a. We will compare the line I.A "Beginning Balance" of the report to the prior year report previously filed.
 - b. We will compare the line II.A "Beginning Balance" of the report to the prior year report previously filed.
2. We will obtain a detail by case number of line I.B "Amount seized and transferred to the District Attorney pending forfeiture" of the report, which lists funds seized.
 - a. We will agree all amounts from the detail obtained to sworn affidavits and deposit records provided by the City of El Paso Police Department.
 - b. We will compare the date of deposit for all amounts to the date the check was picked up from the District Attorney's office by viewing the City of El Paso Police Department check log, noting if all monies received during the reporting period were deposited in accordance with the City's cash management policy.
3. We will obtain a detail by case number of line II.B "Amount forfeited to and received by reporting agency (including interest) during reporting period", which lists funds forfeited.
 - a. We will agree all amounts from the detail obtained to forfeiture account distribution memorandums provided by the City of El Paso Police Department.
4. We will obtain a detail of line II.F "Proceeds received by your agency from sale of forfeited property", which lists proceeds received.
 - a. We will agree all amounts from the detail obtained to forfeiture account distribution memorandums provided by the City of El Paso Police Department.
5. We will obtain a detail of line II.I "Total expenditures of forfeited funds during reporting period", which includes a schedule of expenditures by classification as presented in Section VI of the report.
 - a. We will agree all amounts on the schedule of expenditures to invoices, vouchers, journal entries and other supporting documentation provided by the City of El Paso Police Department.

PROFESSIONAL SERVICES AGREEMENT

Agreed Upon Procedures

This Professional Services Agreement (the "PSA") together with the Schedule and the Engagement Letter, which are hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services to be provided to the City by Moss Adams. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

Use of Report

Our report is a restricted use report and may be distributed only to the City. The City may not disclose or distribute our report to any third parties without our prior written consent.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Document Retention Policy

At the conclusion of this engagement, we will return all original records to the party that supplied them to us. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your or any other person's or entity's own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Access to Books and Records

Moss Adams agrees that the City shall, until the expiration of three (3) years after final payment under this Contract, have access to and the right to examine and copy any directly pertinent books, computer and digital files, documents, papers, and records of the Moss Adams involving transactions relating to fees and expenses charged under this Agreement. Moss Adams agrees that the City shall have access during normal working hours to all necessary Moss Adams facilities, and shall be provided adequate and appropriate workspace in order to conduct audits in compliance with the provisions of this section. The City shall give Moss Adams reasonable advance notice of intended audits. The City will pay Moss Adams for reasonable costs of any copying the City performs on the Contractor's equipment or requests the Contractor to provide. Moss Adams agrees to refund to the City any overpayments disclosed by any such audit. Moss Adams agrees that it will include this requirement into any subcontract entered into in connection with this Agreement. Upon Office of Comptroller's request, a copy of working papers will be provided to the City, excluding any working paper that we consider proprietary to the nature of performance of the audit. For clarity, this section shall supersede and replace any access to record terms under the Solicitation.

Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

Use of Third-Party Service Providers

We may use third-party service providers in serving you. In such circumstances, if we need to share confidential information with these service providers, we will require that they maintain the confidentiality of your information.

Enforceability

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement

This Professional Services Agreement, the Schedule, and the Engagement Letter constitute the entire agreement and understanding between Moss Adams and you. You agree that in entering into this Agreement you have not relied upon any oral or other representations, promises, or statements made by anyone which is not set forth herein.

Use of Moss Adams' Name

The City may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

Indemnity

Moss Adams or its insurer will INDEMNIFY, DEFEND AND HOLD the City, its officers, agents and employees, HARMLESS FOR AND AGAINST ANY AND ALL THIRD PARTY CLAIMS, CAUSES OF ACTION, LIABILITY, DAMAGES OR EXPENSE, (INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY FEES AND COSTS) FOR ANY DAMAGE TO OR LOSS OF ANY REAL OR TANGIBLE PROPERTY, OR ANY ILLNESS, INJURY, PHYSICAL OR MENTAL IMPAIRMENT, LOSS OF SERVICES, OR DEATH TO ANY PERSON ARISING OUT OF OR RELATED TO THIS AGREEMENT, to the extent such damage, injury, loss, illness, physical or mental impairment, loss of service, or death results from NEGLIGENCE of Moss Adams, its officers, agents, or employees in performing services under this Agreement (each, a "Claim"). Without modifying the conditions of preserving, asserting or enforcing any legal liability against the City as required by the City Charter or any law, the City will promptly forward to Moss Adams every demand, notice, summons or other process received by the City in any claim or legal proceeding contemplated herein. For each Claim, Moss Adams will 1) investigate or cause the investigation of accidents or occurrences involving such injuries or damages; 2) negotiate or cause to be negotiated the Claim as Moss Adams may deem expedient; and 3) defend or cause to be defended on behalf of the City all suits for damages even if groundless, false or fraudulent, brought because of such injuries or damages. Moss Adams will pay all judgments finally establishing liability of the City for each Claim pursuant to this section, along with all attorneys' fees and costs incurred in the defense of such Claim, including interest accruing to the date of payment by Moss Adams, and premiums on any appeal bonds. Moss Adams shall be entitled to control the handling of any such Claim in its sole discretion, with counsel of its choosing. The City, at its election, will have the right to participate (but not control) in any such negotiations or legal proceedings to the extent of its interest. The City shall only be responsible for any loss of or damage to the Moss Adams' property to the extent caused by the City's negligence. For clarity, this section shall supersede and replace any indemnity obligations under the Solicitation.

Limitation on Liability

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Dispute Resolution Procedure, Venue and Limitation Period

This Agreement shall be governed by the laws of the state of Texas, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses and shall share equally in the mediator's fees and expenses.

If the claim or dispute cannot be settled through mediation, each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in El Paso County, state of Texas, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Termination

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the

effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Hiring of Employees

Any offer of employment to members of the engagement team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.

Mutual Waiver of COVID-19 Claims

This provision addresses issues regarding the novel coronavirus ("COVID-19"). The parties acknowledge their respective understanding of the hazards of COVID-19, including, but not limited to, its highly contagious nature and the corresponding health risks associated with being exposed to or infected by COVID-19. Each party agrees to waive, release, discharge, and covenants not to sue the other party or its affiliates and its and their respective officers, directors, partners, principals, employees, agents, or subcontractors from any and all claims, damages, expense, liability, illness or losses that may occur from exposure to or infection by COVID-19 arising out of, related to, or in any way connected with the professional services provided by Moss Adams.